GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:257
ANSWERED ON:13.03.2000
REFINERY GATE PRICES OF PETROLEUM PRODUCTS
UMMAREDDY VENKATESWARLU

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Refinery gate prices of five controlled products are now linked to import parity;

(b) if so, the extent to which this policy is likely to move certain petroleum products away from the Administered Pricing Mechanism;

(c) whether the public sector refineries are in a position to face the vagaries of the international market; and

(d) if not, the steps being taken in this direction?

Answer

MININSTER OF PETROLEUM AND NATURAL GAS

(SHRI RAM NAIK)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFFERED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO.257 13.3.2000 REGARDING REFINERY GATE PRICES OF PETROLEUM PRODUCTS

(a) Yes, Sir.

(b) Pursuant to the Government decision of November, 1997 to dismantle administered pricing mechanism (APM) in phases, the system of retention pricing has been abolished for all (existing and new) refineries. As per the decision, consumer prices of all petroleum products have been decontrolled except motor spirit, high speed diesel, aviation turbine fuel, kerosene (PDS) and liquified petroleum gas (domestic). The prices of high speed diesel are fixed on import parity basis up-to ex-storage point level and pricing of other controlled products is to be moved towards import parity.

(c) & (d) As refineries, including public sector refineries, are being compensated on import parity based prices, they are in a position to face vagaries of international oil market.